

**OPEB - Retiree Health and Life Insurance
as of June 30, 2006**

February 2007

	<u>Health</u>	<u>Life</u>	<u>Total</u>
Annual Required Contribution	42,639,000	6,413,000	49,052,000
Recommended Changes:			
1. Require Medicare drug coverage	(9,847,000)	-	(9,847,000)
2. Change premium schedule	(16,720,000)	-	(16,720,000)
3. Savings overlap of items 1 and 2	5,500,000	-	5,500,000
4. Reduce life insurance to \$10,000	-	(5,205,000)	(5,205,000)
Adjusted Annual Required Contribution	<u>21,572,000</u>	<u>1,208,000</u>	<u>22,780,000</u>
Premium Paid 6/30/06 (rounded)	<u>12,560,000</u>	<u>220,000</u>	<u>12,780,000</u>
Increase Required	<u><u>9,012,000</u></u>	<u><u>988,000</u></u>	<u><u>10,000,000</u></u>

Retirees' Health Insurance Premium - Retirees' Share

February 2007

<u>Service Years at Retirement</u>	<u>Current</u>	<u>Proposed</u>
Retirees Under 65:		
Over 25 years	30.0%	40.0%
21 - 25 years	30.0%	50.0%
16 - 20 years	39.0%	75.0%
11 - 15 years	40.5%	100.0%
7.5 - 10 years	42.0%	100.0%
Under 7.5 years	N/A	N/A

N/A - retiree health insurance not available

Retirees Over 65: (1)		
Over 25 years	30.0%	30.0%
21 - 25 years	30.0%	35.0%
16 - 20 years	39.0%	40.0%
11 - 15 years	40.5%	50.0%
7.5 - 10 years	42.0%	60.0%
Under 7.5 years	100.0%	100.0%

(1) - Current reflects total premium reduced so maximum County share is 70%.